

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
2000 Biennial Regulatory Review)	
Review of Policies and Rules Concerning)	CC Docket No. 00-257
Unauthorized Changes of Consumers)	
Long Distance Carriers)	
)	
Implementation of the Subscriber Carrier)	
Selection Changes Provisions of the)	
Telecommunications Act of 1996)	
)	CC Docket No. 94-129
Policies and Rules Concerning Unauthorized)	
Changes of Consumers Long Distance Carriers)	

**VERIZON’S REPLY IN SUPPORT OF
PETITION FOR RECONSIDERATION**

Only two commentors oppose Verizon’s¹ petition, and they only oppose one aspect of it. Neither disagrees with the thrust of Verizon’s petition — that the new rules should not apply to state-mandated default transfers of a customer base when a CLEC leaves a market.

One of the commentors, Sprint, plainly misunderstands what Verizon is proposing. Sprint says that Verizon wants to “be allowed to collect the costs associated with the transfer of customers from an exiting CLEC.”² This is not what Verizon wants at all. What Verizon’s petition said was, “The Commission should confirm that the new rules do not prevent the ILEC from assessing such charges on customers it acquires by these default transfers.”³ There was no suggestion that the charges should be imposed on the exiting carrier.

¹ The Verizon telephone companies are the local exchange carriers and interexchange carriers affiliated with Verizon Communications Inc., listed in Attachment A.

² Sprint at 4.

³ Petition at 3.

ASCENT first objects because Verizon's request is an "attempt to obtain additional relief for incumbent LECs which will remain unavailable to other carriers."⁴ Verizon would agree that whatever rules apply to ILECs that are required by states to take customers by default should apply to any other carrier under the same circumstances.

ASCENT says that it is "a matter of basic equity" that the ILECs bear these costs.⁵ However, the Commission required the acquiring carrier to be responsible for any carrier change charges because "if carrier change charges are known to be the responsibility of the acquiring carrier, these charges will be factored into the terms of the agreement between the selling/transferring carrier and the acquiring carrier."⁶ Where a carrier takes on a body of customers by default, of course, there is no agreement between that carrier and the selling/transferring carrier and no terms into which these costs can be factored. Basic equity would require that a carrier that is required by law to provide service to certain customers have the same ability to recover its costs as a carrier that chooses to provide service.

ASCENT's last point is that Verizon should bear these costs because it is getting a valuable customer base in return.⁷ This, of course, isn't necessarily so. In many cases, these customers default to Verizon for only a short time, until they have figured out what other carrier they want to use, and then they take their business elsewhere.

Finally, as Verizon also showed in its petition, the nonrecurring charge that a subscriber incurs when she subscribes to a new LEC is not a "carrier change charge" as that

⁴ ASCENT at 6.

⁵ ASCENT at 8.

⁶ *Order* ¶ 26 n.50.

⁷ ASCENT at 8-9.

term is usually understood, namely, the charge assessed by a LEC when it executes its customers' long distance carrier changes. Therefore, the new rules do not prevent the ILEC from assessing such charges on customers it acquires by these default transfers. These charges are typically included in state tariffs, and state law requires the ILEC to assess them.

For these reasons, the Commission should reconsider and modify its rules for this limited category of customer transfers.

Respectfully submitted,

/S/

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THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc. These are:

Contel of the South, Inc. d/b/a Verizon Mid-States
GTE Midwest Incorporated d/b/a Verizon Midwest
GTE Southwest Incorporated d/b/a Verizon Southwest
The Micronesian Telecommunications Corporation
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Hawaii Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.